AHS Board of Trustees Meeting

CEO REPORT
FEBRUARY 28, 2019
Updates

01 True North Metrics Dashboard
02 Field Highlights
03 System Updates
04 SAPPHIRE January Performance Status Update
05 Closing Reflections
AHS OPERATIONAL PLAN FY 2018

PERFORMANCE DASHBOARD
## Fiscal Year 2019 - January 2019 Report: True North Metric Dashboard

**Data Current to December 2018**

Updated: 1/16/2019

<table>
<thead>
<tr>
<th>Pillars</th>
<th>True North</th>
<th>Baseline</th>
<th>FY 19 Target</th>
<th>Current Performance Timeframe</th>
<th>FY19 YTD Results</th>
<th>Desired Direction</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Access Time measures in Hour:Minute</strong></td>
<td>Ambulatory Appointment: Check-in to Discharge Time-Primary</td>
<td>1:15</td>
<td>1:09</td>
<td>Dec 2018</td>
<td>1:11</td>
<td>↓</td>
</tr>
<tr>
<td></td>
<td>Ambulatory Appointment: Check-in to Discharge Time-Specialty</td>
<td>1:34</td>
<td>1:26</td>
<td>Dec 2018</td>
<td>1:19</td>
<td>↓</td>
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<tr>
<td></td>
<td>Acute Med/Surg Observed to Expected Length of Stay</td>
<td>1:1</td>
<td>1:08</td>
<td>Dec 2018</td>
<td>1:14</td>
<td>↑</td>
</tr>
<tr>
<td></td>
<td>Median Time from Decision to Admit to Inpatient Bed (HIGH ED Admitted Pts)</td>
<td>8:54</td>
<td>7:07</td>
<td>Dec 2018</td>
<td>16:25</td>
<td>↑</td>
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<tr>
<td><strong>Sustainability</strong></td>
<td>EBIDA Margin</td>
<td>2.2%</td>
<td>4.6%</td>
<td>Nov 2018</td>
<td>1.7%</td>
<td>↑</td>
</tr>
<tr>
<td></td>
<td>AHS Cash Collections as a Percent of Expected Net Revenue</td>
<td>91.4%</td>
<td>92.4%</td>
<td>Nov 2018</td>
<td>103.0%</td>
<td>↑</td>
</tr>
<tr>
<td></td>
<td>AHS Gross Days in Accounts Receivable</td>
<td>65.50</td>
<td>67</td>
<td>Nov 2018</td>
<td>71.00</td>
<td>↑</td>
</tr>
<tr>
<td></td>
<td>Expense Per APD</td>
<td>$2,787</td>
<td>$2,846</td>
<td>Nov 2018</td>
<td>$2,763</td>
<td>$2,691</td>
</tr>
<tr>
<td></td>
<td>Worked Hours Per APD</td>
<td>21.86</td>
<td>22.36</td>
<td>Nov 2018</td>
<td>20.70</td>
<td>21.10</td>
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<tr>
<td><strong>Quality</strong></td>
<td>PRIME Metrics on Target</td>
<td>55</td>
<td>54</td>
<td>Nov 2018</td>
<td>3%</td>
<td>↑</td>
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<tr>
<td></td>
<td>QIP Metrics on Target</td>
<td>N/A</td>
<td>18</td>
<td>Nov 2018</td>
<td>14</td>
<td>↑</td>
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<tr>
<td></td>
<td>Acute: All Cause 30 Day Readmits</td>
<td>12.59%</td>
<td>12.23%</td>
<td>Nov 2018</td>
<td>12.98%</td>
<td>12.57%</td>
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<tr>
<td></td>
<td>Hospital Acquired Infections Index</td>
<td>10.80</td>
<td>9.72</td>
<td>Nov 2018</td>
<td>4.60</td>
<td>6.73</td>
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<tr>
<td></td>
<td>Hospital Acquired Harms Index per 1000 discharges</td>
<td>3.05</td>
<td>2.76</td>
<td>Nov 2018</td>
<td>3.88</td>
<td>1.81</td>
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<tr>
<td><strong>Experience</strong></td>
<td>HCAHPS - % Rate Hospital 9 or 10</td>
<td>72.1%</td>
<td>72.79%</td>
<td>Nov 2018</td>
<td>72.5%</td>
<td>70.1%</td>
</tr>
<tr>
<td></td>
<td>HCAHPS - % Rate Care Transitions Domain &quot;Strongly Agree&quot;</td>
<td>46.0%</td>
<td>47.60%</td>
<td>Nov 2018</td>
<td>48.5%</td>
<td>47.6%</td>
</tr>
<tr>
<td></td>
<td>CoS HCAHPS-% Rate Provider 9 or 10</td>
<td>73.6%</td>
<td>76.78%</td>
<td>Oct 2018</td>
<td>73.8%</td>
<td>73.6%</td>
</tr>
<tr>
<td></td>
<td>Inpt Behavioral Health Mean</td>
<td>79.90</td>
<td>80.50</td>
<td>Nov 2018</td>
<td>78.50</td>
<td>79.40</td>
</tr>
<tr>
<td><strong>Network</strong></td>
<td>Rehospitalization during the first 30 days of Home Health</td>
<td>13.64%</td>
<td>14.40%</td>
<td>Dec 2018</td>
<td>2.94%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Wellness Center Out-of-network referrals for Ortho Back, General Surgery and Hepatitis C</td>
<td>11.46%</td>
<td>10.31%</td>
<td>Dec 2018</td>
<td>0.00%</td>
<td>5.60%</td>
</tr>
<tr>
<td><strong>Workforce</strong></td>
<td>Workplace Injury Reduction</td>
<td>303</td>
<td>288</td>
<td>Dec 2018</td>
<td>16</td>
<td>134</td>
</tr>
<tr>
<td></td>
<td>Turn Over</td>
<td>11.40%</td>
<td>11.09%</td>
<td>Dec 2018</td>
<td>10.11%</td>
<td>11.10%</td>
</tr>
</tbody>
</table>

↑ Results are annualized to allow for comparison
Performance not at Desired Target
Performance Target Met or Exceeded
FIELD UPDATES
Transparency and Surprise Medical Billing
Medicare For All

"We intend to make sure that Americans across this country know that we are standing up and fighting for them and for health care to be a right and not a privilege,"

Rep. Primala Jayapal, D-Wash
Lead sponsor of the bill and co-chair, Congressional Progressive Caucus

'Medicare for all' bill unveiled: 'Complete transformation' of health care
The legislation's most contentious provision would end private health insurance and replace it with a government system.
Prescription Drug Pricing
AHS Policy Priorities

- DSH Cut Delays
- Protecting 340B
- Waiver Renewal
Insights from experts

- Pressures are increasing
- Investments are moving further away from traditional delivery systems to digital health and other disruptors
- Payers just don’t trust that we’re truly committed to lowering costs
- We need to be the disruptors ourselves
All SNFs back at CMS 5 Stars

- Park Bridge
- South Shore
- Fairmont SNF
### AHS Movement to Financial Risk (Compliance with APM Requirement)

<table>
<thead>
<tr>
<th>APM Component</th>
<th>How AHS Will Meet Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined Population</td>
<td>Alameda Alliance managed care members assigned to AHS medical home (48,000)</td>
</tr>
<tr>
<td>Quality Component</td>
<td>Alameda Alliance Quality Improvement P4P Program</td>
</tr>
<tr>
<td>Financial Risk</td>
<td>Partial capitation for primary care services only</td>
</tr>
</tbody>
</table>

**Phased Implementation (Primary Care Capitation)**

- **Newark** – Alliance Members – 9K (4.1.2018)
- **Hayward** – Alliance Members 13K (12.1.2018)
- **Highland** – Alliance Members - 14k (3.1.2019)
- **Eastmont** – Alliance Members – 12K (8.1.2018)
- **All Wellness Centers** – Anthem Members (TBD)
5150 in all EDs

SAN LEANDRO & ALAMEDA HOSPITAL RECEIVE 5150 HOLD DESIGNATION
Detailed Annual Strategic & Financial Planning and Reporting Cycle

1. **QTR 1 (July-Sept)**
   - **Finance**: Roll out budget/benchmarks for new FY
   - **HR**: Annual Performance Reviews/Build in new FY goals
   - **Planning and Operations**: New FY Dashboard Metrics
   - **Board**: Approves FY Goals and dashboard

2. **QTR 2 (Oct-Dec)**
   - **Finance**: Commence review of plan based on audit and current performance
   - **HR**: Effect Annual salary incr.
   - **Planning and Operations**: Annual forecast, Assess and develop volume forecasts for new FY, Plan Dec ELT retreat
   - **BOT Retreat (end Oct)**

3. **QTR 3 (Jan-Mar)**
   - **Finance**: Establishes financial targets for next FY/Capital Budget
   - **HR**: -
   - **Planning and Operations**: Internal volume forecasts and develop annual goals/objectives plan draft with SBUs/ELT through Jan- Management retreat Feb ; ELT retreat
   - **Board**: Establishes budget targets (Feb).

4. **QTR 4 (Apr-June)**
   - **Finance**: Present Budget to BOT (March/April Draft, May Final)
   - **HR**: Management performance plans/calculate and communicate annual awards/Develop goal weighting (May/June)
   - **Planning and Operations**: Develop Operational plan/TNM Dashboard (June)
   - **Review of current year metrics/targets/BOT & Retreat**: Confirms Strategic/FY Operational Plan & Approves budget
Charting a New Course

The Campaign for Alameda Health System
Capital Planning Process - GSA

• Meeting held with GSA Director on January 14\textsuperscript{th}  
  – Working to have a finalized process by end of February
• Re-use plan of FMT Bldg. H  
  – Options for County use  
  – Flex space for SNF improvement
• Considerations for available County Space on Zhone Way
Kitchen Relocation and Seismic Planning

• Completing contract with Webcor Construction for project assessment
• GMP scheduled to be complete March – April
• Completion Target date – June 2020

• Seismic Compliance Committee
• Kaufman Hall Assessment Status
Project Update
ALAMEDA HEALTH SYSTEM EXECUTIVE SUMMARY

January 2019

OVERALL PROJECT STATUS

Satisfactory

OVERALL SCORE: 4.0/5.0

AVERAGE EPIC CUSTOMER SCORE FOR PHASE 1: 4.0/5.0

GO-LIVE DATE: September 28, 2019

RECIPIENTS

To: Delvecchio Finley, Luis Fonseca, Ghassan Jamealeddine, MD, Mark Amey, David English, MD, Katya Osipova, Bernadette Jensen, Nick Volosin, Palal B Babaria, MD, Tanvir Hussain, MD, Tangerine Brigham, Sylvia Lozano, Mike Moya, Nancy Kaatz, Terry Lightfoot, Craig Carlson

From: Trina Johnson, Implementation Director

cc: Elaine Kavadias, Stewart Traiman, Quinn Cordae, Krish Doppalapudi, Gerrie Teo, Sid Patwardhan, Sukhpal Cheema, Donna Warfield

OVERVIEW

The overall project status remains at Satisfactory this month because application teams successfully finished workflow build and started the testing phase of the install. The project team began application testing, charge testing, and mapped record testing on January 28. Teams are also currently on track to complete the next set of build needed for integrated testing prior to March 22.

We have a few areas this month that are at watch status with plans to move back on track quickly. You have two remaining contracts (Omninell and Instamed) that need to be complete by February 28 in order to not impact later phases of the project. While most training curriculum is on schedule, ASAP, Stork and Tapestry missed the January deadline for the third set of curriculum development. The training team plans to complete all curriculum updates by the end of February as well as meet key milestones related to course catalog delivery and recruitment for credentialled and specialist trainers.

Additionally, you currently have a number of staffing gaps due to team departures. You are actively working to fill gaps on Cupid, Tapestry, and Clin Doc as well as the training team.

To remain at satisfactory next month, application teams need to pass all application test scripts by February 22 and the training team needs to remain on track for the delivery of the training schedule on March 8.

ISSUES NEEDING EXECUTIVE INTERVENTION

There are no issues needing executive intervention at this time.

ISSUES NEEDING EXECUTIVE OVERSIGHT

There are no issues needing executive oversight at this time.
IMPLEMENTATION OVERVIEW

**Education & Analysis**
- Overview of Implementation
  - Key Org Scoping
  - ACs/AMs Staffed
  - Groundwork Analysis
- Project Team Training
  - Scoping & Project Plan
  - Deploy Non-Production Environment

**Implementation**
- Project Team Certification
  - Groundwork Returned & Analyzed
  - Direction Sessions
- Adoption Sessions
  - Adoption Sessions
  - Adoption Session
  - Build 1
- Build 2
- Build 3
- Build 4
- Workflow Walkthrough
  - PRCT Complete

**Deployment & Transformation**
- Training & Deployment
  - Go-Live

**Groundwork**
- Phase 0
  - Executive education
  - Project planning
  - Interface and systems analysis
  - Project team attends training
  - Groundwork analysis

**Direction**
- Phase 1
  - Finalize project plan
  - Direction sessions by Epic team
  - Key performance indicators identified
  - Project team completes certification

**Adoption**
- Phase 2
  - Delivery of Foundation System
  - Workflow sprints and system configuration
  - Adoption sessions with stakeholders
  - Interface testing begins

**Testing**
- Phase 3
  - Integrated testing using Testing Toolkits
  - Complete remaining content build
  - Training lesson plans completed

**Training & Go-Live**
- Phase 4
  - End users trained using Training Wheel
  - Device deployment
  - Go-live readiness assessments and dress rehearsal
  - Go-live

**Post-Live & Optimization**
- Phase 5+
  - Post-live support
  - Post-live visits
  - End user surveys
  - Ongoing training
  - Long-term support
  - Rollout to additional sites
  - Upgrades

ALAMEDA HEALTH SYSTEM
Project Major Accomplishments

- Successfully Completed Data Migration by January 25
  - Migrated data from Build to Test environment
- Transitioned from Build to Testing
  - Application testing kicked off on January 29
- Large Scale Data Conversion Validation started in January
  - Comparing data for 50 patients
  - Successfully completed the data loads for Ambulatory, Radiology, and Cardiology
  - Ambulatory large scale validation completed by January 22
- Project is on track and favorable to budget
- End User Device Lab setup in progress
- Training Curriculum Review Boards (CRBs) review is underway
- Great progress made in Medical Device Integration testing by completing testing of almost every device type (GE/Phillips/Drager monitors, Anesthesia machines, etc.)
Focus for February & March

- Completion of application testing by February 22
- Completion of training curriculum by March 1 and ongoing preparation or training schedule and catalog
- Delivery of Epic February 2019 Quarterly upgrade
- Activation of Credentialed Trainer, Specialist Trainer, and Super User Recruitment
- Begin Integrated Scripts review on March 5 and transition to Integrated Testing
- Clinical System Design continues
- Medical device integration validation and testing
- Initiating more detailed Go Live planning
- Continue with Large scale data validation for Rad, Card and Lab
### EHR PROJECT BUDGET

<table>
<thead>
<tr>
<th>Budget Category</th>
<th>Beginning to Date Budgeted</th>
<th>Beginning To Date Spent</th>
<th>Beginning To Date Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>C-01 - Epic Software License</td>
<td>700,000</td>
<td>700,000</td>
<td>0</td>
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<tr>
<td>C-16 - Epic Hosting</td>
<td>1,039,632</td>
<td>733,025</td>
<td>306,607</td>
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<tr>
<td>C-20 - Epic Passthrough 3rdParty Software</td>
<td>62,000</td>
<td>36,557</td>
<td>25,443</td>
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<tr>
<td>C-02 - Interfaces</td>
<td>250,000</td>
<td>28,574</td>
<td>221,426</td>
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<td>C-03 - Conversions</td>
<td>250,000</td>
<td>167,853</td>
<td>82,147</td>
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<td>C-04 - 3rd Party Software</td>
<td>7,070,960</td>
<td>1,899,700</td>
<td>5,171,260</td>
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<tr>
<td><strong>Total Capital Software</strong></td>
<td>9,372,592</td>
<td>3,505,708</td>
<td>5,866,884</td>
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<tr>
<td>C-05 - Hardware: Infrastructure, Network</td>
<td>2,707,203</td>
<td>1,011,810</td>
<td>1,695,393</td>
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<tr>
<td>C-06 - Hardware: End User Devices</td>
<td>1,659,250</td>
<td>180,258</td>
<td>1,478,992</td>
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<td><strong>Total Capital Hardware</strong></td>
<td>4,366,453</td>
<td>1,192,068</td>
<td>3,174,385</td>
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<tr>
<td>C-07 - Labor - AHS FTE Implementation Team</td>
<td>14,028,682</td>
<td>9,189,961</td>
<td>4,838,721</td>
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<tr>
<td>C-17 - Labor - AHS SME Compensation</td>
<td>447,152</td>
<td>122,704</td>
<td>324,448</td>
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<td>C-26 - Labor - AHS Physician Compensation</td>
<td>618,589</td>
<td>89,289</td>
<td>529,300</td>
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<tr>
<td>C-08 - Labor - AHS FTE Implementation Team Training and Education</td>
<td>990,000</td>
<td>347,771</td>
<td>642,229</td>
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<tr>
<td><strong>Subtotal Capital AHS Labor</strong></td>
<td>16,084,424</td>
<td>9,749,725</td>
<td>6,334,699</td>
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<td>C-09 - Labor - Epic Implementation Fees</td>
<td>2,331,000</td>
<td>2,181,000</td>
<td>150,000</td>
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<td>C-10 - Labor - Epic Travel Expenses</td>
<td>2,380,000</td>
<td>637,793</td>
<td>1,742,207</td>
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<td><strong>Subtotal Capital Epic Labor</strong></td>
<td>4,711,000</td>
<td>2,818,793</td>
<td>1,892,207</td>
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<td>C-11 - Labor - 3rd Party Consulting</td>
<td>2,744,782</td>
<td>313,296</td>
<td>2,431,486</td>
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<td>C-12 - Labor - 3rd Party Consulting Travel</td>
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<td>-</td>
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<td>C-13 - Labor - Pre-Implementation Planning</td>
<td>500,000</td>
<td>428,536</td>
<td>71,464</td>
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<td><strong>Subtotal Capital Consulting Labor</strong></td>
<td>3,244,782</td>
<td>741,832</td>
<td>2,502,951</td>
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<tr>
<td><strong>Total Capital Labor</strong></td>
<td>24,040,206</td>
<td>13,310,350</td>
<td>10,729,856</td>
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<tr>
<td>C-24 - Project Team Space Lease</td>
<td>606,667</td>
<td>520,145</td>
<td>86,522</td>
</tr>
<tr>
<td>C-22 - AHS Project Miscellaneous Expenses (Room Rent, Parking etc.)</td>
<td>200,000</td>
<td>194,434</td>
<td>5,566</td>
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<tr>
<td>C-21 - AHS Project Food Expenses</td>
<td>143,585</td>
<td>37,996</td>
<td>105,589</td>
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<td>C-14 - Contingency</td>
<td>4,206,139</td>
<td>-</td>
<td>4,206,139</td>
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<tr>
<td>C-18 - Epic Project Transfer Funds</td>
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<td>-</td>
<td>0</td>
</tr>
<tr>
<td>C-19 - FGHC Grant</td>
<td>-</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td>C-15 - CEO Scope Contingency</td>
<td>1,250,000</td>
<td>-</td>
<td>1,250,000</td>
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<tr>
<td><strong>Total Capital Other</strong></td>
<td>6,466,391</td>
<td>752,575</td>
<td>5,713,816</td>
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<tr>
<td><strong>Total Capital</strong></td>
<td>44,245,642</td>
<td>18,760,701</td>
<td>25,484,940</td>
</tr>
</tbody>
</table>

*Some invoices have not been received yet*

* 3rd party contracts executed, invoices have not been received yet
* Jan payroll hasn't been finalized in EPS yet
Closing thoughts

- **AHS Providers and staff are to be commended for the incredible work they are doing**

- **Our alignment and engagement with our providers is increasingly vital to our success as an organization**
Closing thoughts

• **Efforts to bend the healthcare cost curve are continuing**

• **These risks threaten the sustainability of the value-based delivery model that AHS and similarly motivated organizations**
• Radical transformation will be necessary for traditional organizations to survive, and ours is no different in this regard

Closing Thoughts